

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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R2207005

Order Instituting Rulemaking to Advance
Demand Flexibility Through Electric Rates

Rulemaking 22-07-005

**VALLEY CLEAN ENERGY ALLIANCE AND POLARIS ENERGY SERVICES
NOTICE OF EX PARTE COMMUNICATION**

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October 10, 2022

*On behalf of Valley Clean Energy Alliance
and Polaris Energy Services*

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OF THE STATE OF CALIFORNIA**

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Pursuant to Rule 8.4(a) of the Rules of Practice and Procedure of the California Public Utilities Commission, Polaris Energy Services (“Polaris”) and Valley Clean Energy Alliance (“VCE”) hereby provide notice of the following *ex parte* meeting.

The meeting was held by video conference on Friday, October 7, 2022, from 4:30 p.m. to 5:00 p.m. The decisionmakers in attendance were Anand Durvasula, Interim Chief of Staff and Legal Advisor to President Alice Reynolds and Yuliya Shmidt, Advisor to Commissioner Clifford Rechtschaffen. The *ex parte* meeting was initiated by Polaris and VCE. Present at the meeting were: Mitch Sears, Executive Officer, VCE; Sheridan Pauker, Partner, Keyes & Fox LLP, on behalf of VCE; David Meyers, Chief Executive Officer, Polaris, and Nicola White, AgFIT Program Manager, Polaris.

Polaris and VCE discussed the phasing of this proceeding and Polaris, Central Coast Community Energy (“CCCE”) and VCE’s requests in their September 27, 2022 post-prehearing conference statements that the Commission establish a Phase 1, priority track to explore near-term agricultural load shift opportunities based on exciting preliminary results from VCE’s agricultural irrigation pumping and processing dynamic rates pilot approved in D.21-12-015 (the “AgFIT Pilot”). David Meyers presented findings from the Lawrence Berkeley National Laboratory’s *California Demand Response Potential Study Phase 3 Final Report* which found that agricultural irrigation pumping and processing is one of the primary loads in California that demonstrate

significant cost-effective shift potential, particularly in PG&E's territory.¹ Polaris and VCE explained that this research inspired the AgFIT Pilot.

Mr. Meyers next presented preliminary results from August of 2022 from the AgFIT Pilot, which showed 56.5% of participating customer load was shifted off peak relative to such customers' load in August 2021, essentially reversing the infamous "duck curve." Meyers presented the figures set forth in Exhibit A, which were also provided in the joint post-PHC statements of CCCE and VCE. Mr. Meyers explained how farmers across California are currently switching to automated pumping technologies, presenting a time-critical window to tie such automation to real-time electricity pricing signals in order to shift this load to more optimal times of the day from the perspective of grid reliability and greenhouse gas emissions reductions.

Polaris and VCE urged the Commission not to wait several years until Phase 2 of R.22-07-005 to examine how the "low hanging fruit" of agricultural irrigation pumping load shift potential could be harvested in the near term to serve California's urgent reliability needs. The attendees discussed whether such examination should occur within R.22-07-005, given the potential delays associated with the Phase 1, Track A implementation of income-graduated fixed charge reform. Pointing to the State's near-misses on rolling blackouts just a month prior, VCE and Polaris explained that the Commission should act with urgency to expand optional dynamic pricing opportunities combined with load automation for the agricultural sector across service territories.

¹ Brian F. Gerke, Giulia Gallo, Sarah Josephine Smith, Jingjing Liu, Shuba V. Raghavan, Peter Schwartz, Mary Ann Piette, Rongxin Yin, Sofia Stensson, Lawrence Berkeley National Laboratory, *The California Demand Response Potential Study, Phase 3: Final Report on the Shift Resource through 2030* (July 2020); available at: <https://emp.lbl.gov/publications/california-demand-response-potential> at p. 49, Figure 3-9 (showing the "Shift resource" available in forecast year 2030 at the behind-the-meter battery price referent (\$150/year/kWh), disaggregated by utility service territory, building type, and end use).

Respectfully submitted,

/s/ Sheridan Pauker

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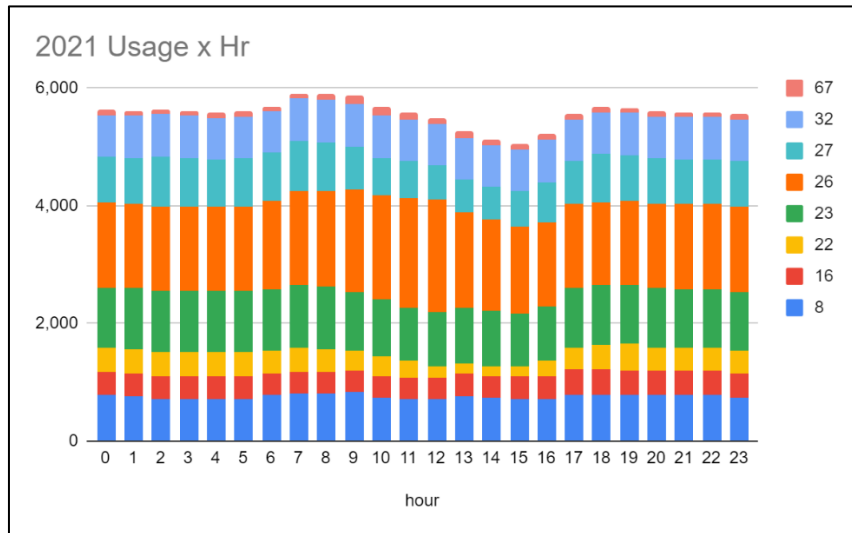
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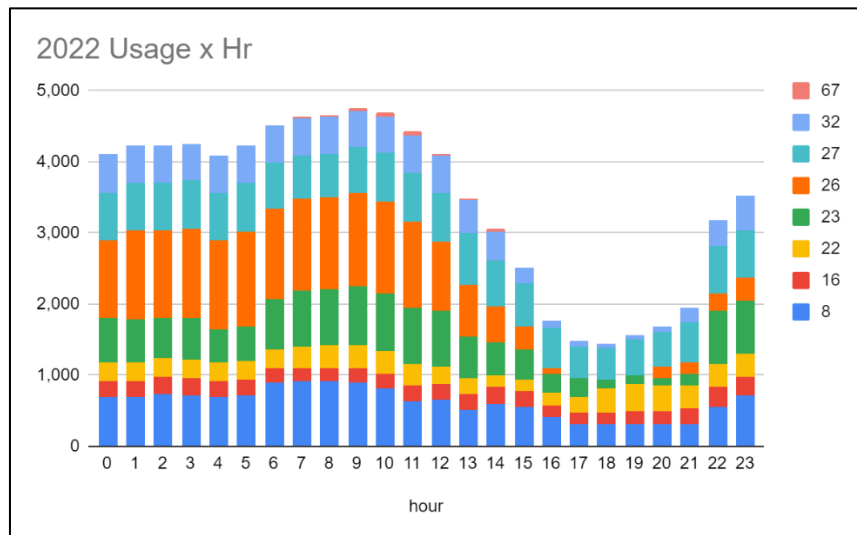
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EXHIBIT A

August 2021 AgFIT Customer Electricity Usage²



August 2022 AgFIT Customer Electricity Usage³



² Preliminary results based on ShareMyData.

³ *Id.*